

DE 529 EDUCATION SAVINGS PLAN

2022 Q4 BUSINESS UPDATE

PLANS MANAGEMENT BOARD

MARCH 2023 MEETING



2017	\$681 million
2018	\$624.3 million
2019	<i>\$684.4 million</i>
2020	<i>\$728.0 million</i>
2021	<i>\$747.3 million</i>
2022	<i>\$612.67 million</i>

Aged Based Portfolios

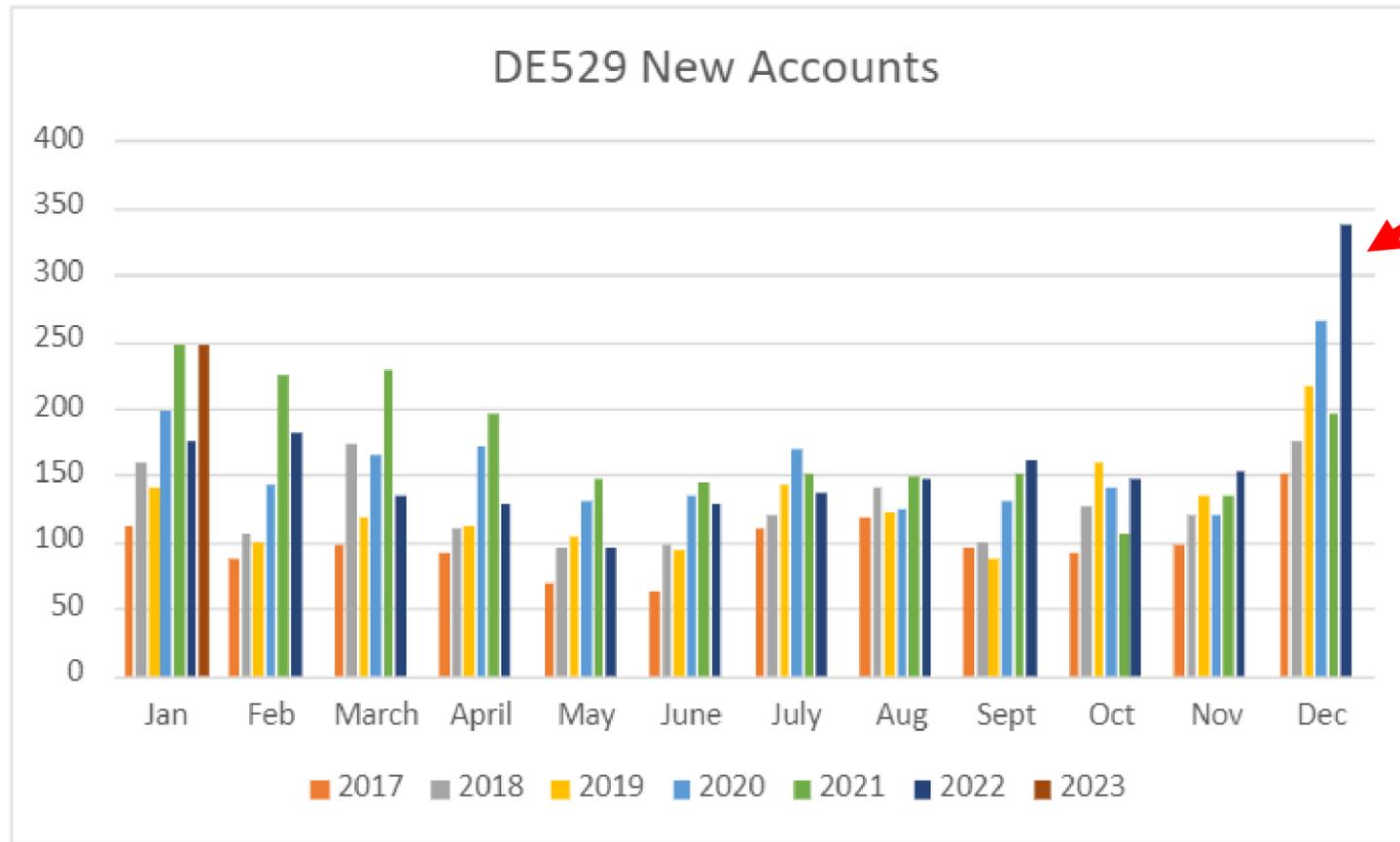
- **\$428.7 million or 70% of total plan assets**
- *Active Age-Based* (\$310 million or 51% of total assets)
- *Blend Age- Based* (\$12.7 million of 2% of total assets)
- *Index Age-Based* (\$106.0 million or 17% of total assets)

Static Portfolios /Individual Funds/ and Bank Deposit Portfolio

- **30% of total plan assets**
- \$183 million

As of 12.31.22





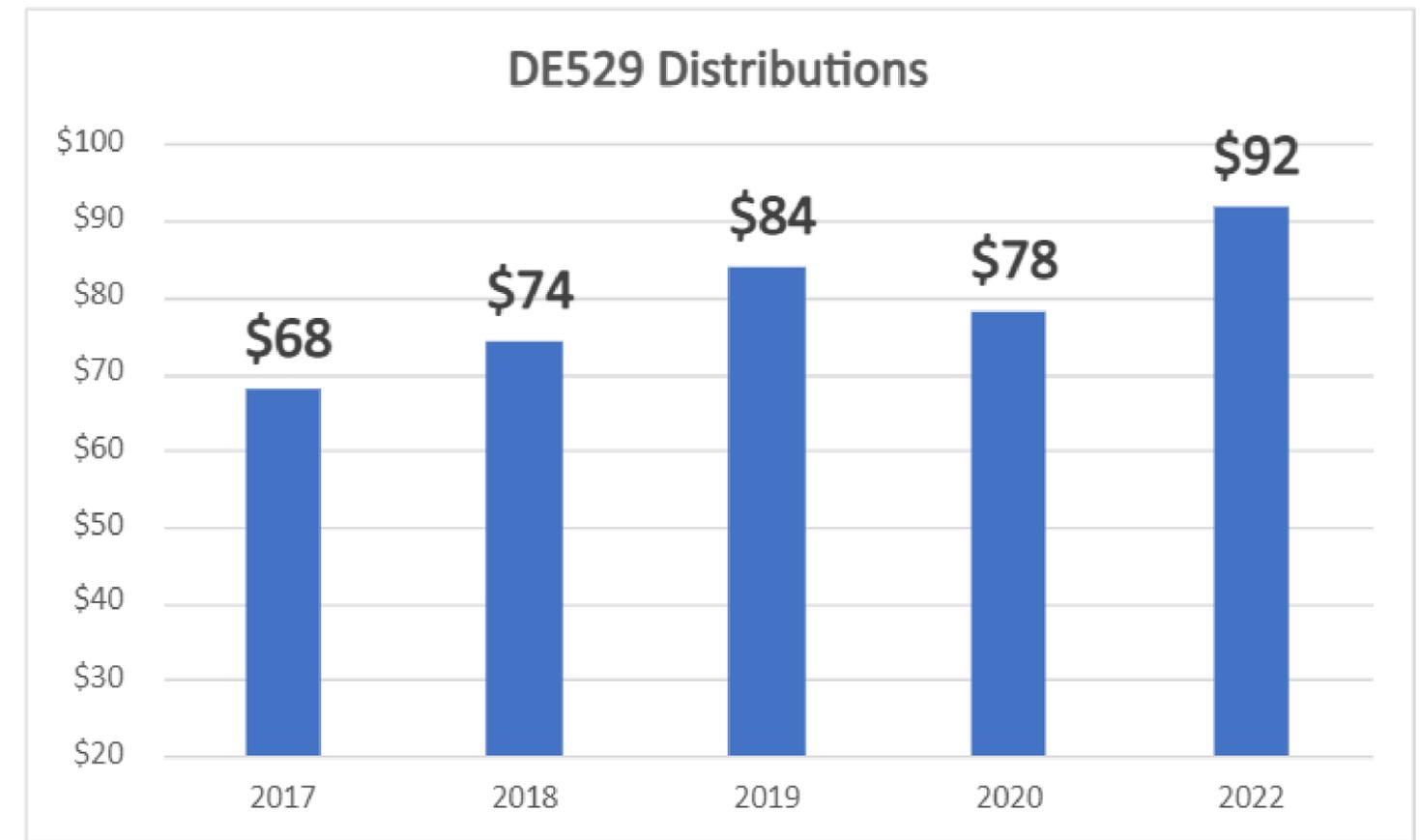
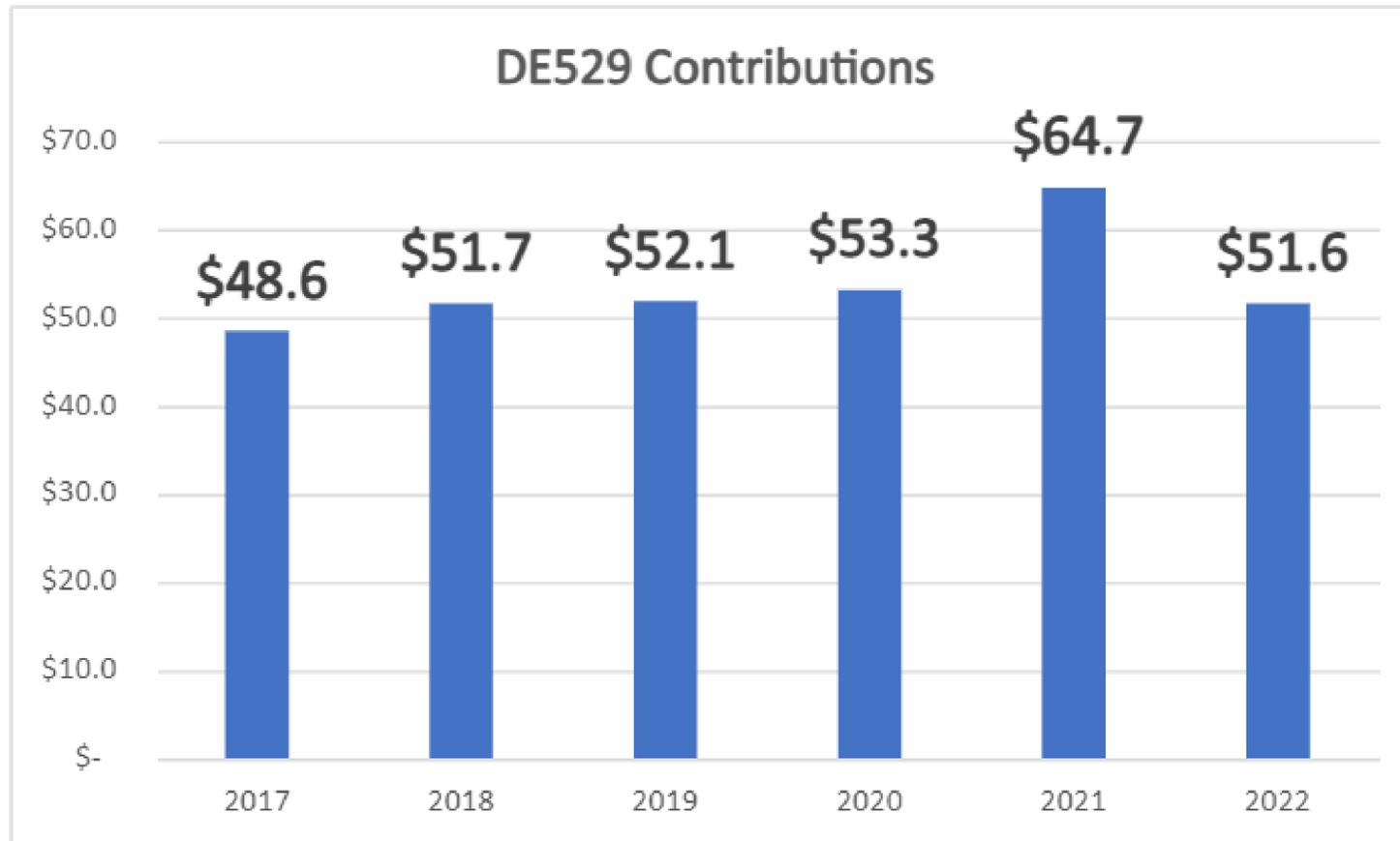
- **December 2022 was a record month for new accounts**
- **State tax deduction for 529 contributions was official in Dec 2022**
- **18% growth in new accounts in second half of 2022 over 2021**

DE 529 New Accounts

	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Total	YOY
2017	111	88	98	92	69	63	110	117	96	92	97	151	1,184	
2018	160	105	174	110	95	97	121	140	99	126	120	175	1,522	22%
2019	141	100	118	111	103	93	143	122	88	160	135	216	1,530	1%
2020	197	142	165	172	131	135	170	125	130	140	121	266	1,894	19%
2021	247	225	228	195	147	145	150	149	151	105	134	196	2,072	9%
2022	176	182	134	128	95	128	137	146	161	147	152	337	1,923	-8%
2023	248												248	

Second Half of '22 vs '21		
2021	885	
2022	1,080	18%





Note: Contributions and Distributions in millions

- **50% of beneficiaries are between the ages of 14-22 years old**
- **First State, First Steps Incentive Program focused on the Delaware under 5 beneficiary segment**
- **Hospital Partnership and Researching Birth Certificate Mailing Opportunity to target new borns**

2021-2022								
	July	Aug	Sept	Oct	Nov	Dec	Jan	Total
DE529 Accounts	150	149	151	105	134	196	176	1,061
% Funded at \$100 or More	78%	73%	77%	67%	69%	70%	53%	
DE529 Accounts (Under 5)	79	74	65	51	65	96	72	502
% Funded at \$100 or More	87%	86%	85%	78%	63%	79%	64%	
Delaware (Resident/Beneficiaries) DE529 Accounts	104	101	104	80	97	105	121	712
% Funded at \$100 or More	75%	74%	77%	65%	60%	70%	52%	
Delaware (Resident/Beneficiaries) DE 529 Accounts (under 5)	55	53	40	38	53	58	53	350
%Funded at \$100 or More	85%	87%	83%	74%	64%	79%	62%	

Accounts (Under 5) % of Total	53%	50%	43%	49%	49%	49%	41%	47%
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DE (Resident/Beneficiaries) Accounts (under 5) % of Delaware Total	53%	52%	38%	48%	55%	55%	44%	49%
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2022-2023								Growth
July	Aug	Sept	Oct	Nov	Dec	Jan	Total	
137	146	161	147	152	337	248	1,328	25%
82%	81%	59%	51%	45%	74%	47%		
67	82	62	61	68	206	117	663	32%
94%	89%	89%	77%	66%	88%	56%		
103	104	96	89	95	242	149	878	23%
86%	83%	77%	69%	64%	81%	58%		
52	61	50	52	52	163	82	512	46%
10%	90%	86%	83%	77%	90%	62%		

49%	56%	39%	41%	45%	61%	47%	50%
50%	59%	52%	58%	55%	67%	55%	58%



- **December '22 (337 vs 196) and January '23 (248 vs 176) saw increases over same month prior yr**
- **Positive trends in the Delaware under 5 beneficiary segment (58% vs 49%)**
- **Board extended pilot through June 2023**
- **First cohort (July-Dec) was funded in February**

Give the Gift of Education This Year

Office of the State Treasurer | State Treasurer Colleen C. Davis | Date Posted: Thursday, December 8, 2022

Listen



A gift to a DE529

The holiday season can be stressful as shoppers search for gifts. An already existing account lets you not only cross a gift off your list, but also give the gift of education. "There's no getting caught up in the frenzy of shopping for the holidays when you can give the gift of education to your loved one's future," said Delaware State Treasurer Colleen C. Davis. "It's a gift that keeps on giving."



UD Baby Race, February 18, 2023



Title sponsor of Kids Day, Tuesday, July 25th, 2023

 **Delaware Museum of Nature & Science**

National 529 Day Sponsor, Storytime Series May, and Family Fun Day June 24th

APPENDIX





Program Summary:

Delaware’s 529 Plan, also known as DE529, is sponsored by the State of Delaware and managed by Fidelity Investments. The Plan provides tax-advantaged accounts designed to help parents, grandparents and others pay for education expenses, reducing the possibility of debt. Contributions can be invested in portfolios tailored to a person’s age or the investor’s ability to identify an asset allocation strategy.

① GROW ACCOUNTS

- Goal One – Further Optimize Fidelity Marketing and DE529 Plan Marketing Spend
- Goal Two – Test and Implement a Match Incentive Program
- Goal Three – Establish Partnerships with Top Three Birthing Hospitals in Delaware
- Goal Four –Partner with Delaware Public Schools
- Goal Five –Workplace Messaging

② INCREASE CONTRIBUTIONS

- Goal One – Support HB145 Tax incentive legislation within Delaware to attract additional contributions
- Goal Two – Test and Implement a Match Incentive Program
- Goal Three –Collaborate with Fidelity on Gifting Tool Promotion and Employer Contributions

③ BUILD TOP TIER PLAN

- Goal One – Create a “State Collective” of Fidelity 529 Plans
- Goal Two – Continue to Strengthen Oversight with Board and Committees
- Goal Three – Implement Strategy for Administrative Fee Balances
- Goal Four –Pass HB145 Tax Incentive
- Goal Five –Scholarship Pilot (Foster Youth)

Focus Timeline

2021

- ✓ RFP for Plan
- ✓ Rebranding of plan

2022

- Test Match Incentive Program (May 29th)
- Support HB145 Tax Incentive
- Top birthing hospital partnerships
- Implement strategy for administrative fee balances
- Scholarship Pilot

2023

- Workplace messaging/employer campaigns
- Match Incentive Program assessment
- Collaborate with Fidelity on workplace
- Promotion of gifting tool
- Host virtual “State Collective” Summit
- Scholarship Pilot

2024

- Morningstar Medal Assessment
- Scholarship Pilot



• Green font represent “always on” efforts